pipeline, there should be almost 20,000-kilometres road for the year so that we can complete it. 20-kilometres a day means more than 7,000-kilometres a year, which means a minimum of 14,000-kilometres in two years. The preparation of the project report in a road takes almost twelve to fourteen months. Therefore, an attempt should be made to reduce this period, and, at different stages, these types of exercises are being made. Some improvement has taken place but it is not to the desirable extent.

SHRI TIRUCHI SIVA: Sir, while appreciating the target increase of the investment in physical infrastructure from five per cent of GDP to nine per cent of GDP, I would like to say that the share towards water supply and sanitation is only 6.99 per cent, which aims at fulfilling the basic needs of the common man. Would the Ministry of Finance consider enhancing the share towards water supply and sanitation?

SHRI PRANAB MUKHERJEE: Sir, these targets are fixed by the Planning Commission. The Planning Commission proposals are approved by the NDC. The NDC consists of the State Chief Ministers and the Cabinet Ministers. Therefore, it is not possible for any individual Ministry just to say that we will increase this, or, we will decrease this. During the course of five years, as and when we find, and, it is proved, that in certain sectors, the expenditure is not up to the expectations, or, in some areas, expenditure is picking up, in the mid-term appraisal, we make a course correction. That mid-term course correction is possible but that will have to be done in consultation with the Planning Commission.

Tax exemption of Obulapuram Mining Corporation

*270. SHRI D. RAJA: Will the Minister of FINANCE be pleased to state:

(a) whether service and other taxes have been collected from the Obulapuram Mining Corporation in Anantpur district of Andhra Pradesh during 2006-07, 2007-08 and current fiscal year upto October 31, 2009;

(b) whether it is a fact that Government has granted diverse exemptions to the Obulapuram Mining Corporation in Andhra Pradesh; and

(c) if so, the details of such concessions granted?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) Yes, Sir.

(b) and (c) The Central Government has not granted any specific exemption exclusively for M/s. Obulapuram Mining Company Ltd.

SHRI D. RAJA: Sir, our respected Finance Minister is the most senior Minister in the Government. He is a very experienced Minister. He will appreciate my question in the interest of the nation and in the interest of the democratic polity in the country. The Obulapuram Mining Corporation has earned the notoriety to be called as mines mafia in the recent times. The people of Andhra Pradesh and the people of Karnataka are agitated and are in a campaign against the illegal activities of these mines. My question is, Sir, this Obulapuram Mining Corporation had earned a whopping more than Rs. 10,000 crore, if my figures are correct. If they are not correct, I stand to be corrected.

MR. CHAIRMAN: Question please.

SHRI D. RAJA: Illegal mining of iron ore by two companies in the border areas of Andhra Pradesh and Karnataka is depriving the Government revenue to the tune of Rs. 300 crores every year. My question is, whether the Finance Ministry is considering to institute a kind of CBI inquiry or Income Tax authorities inquiry into the illegal fudging of funds and accounts by this Corporation?

SHRI PRANAB MUKHERJEE: Sir, so far Income Tax inquiry is concerned, if we find out any case of tax evasion or tax avoidance, the Income Tax Department can definitely set in motion. They do not require any permission. It is their routine job. This is based on the intelligence collected. As and when the Economic Intelligence Collection Unit collects information, they set the motion in operation and do so. So, if any such things come to the notice of the Government, they will do so. And, if the hon. Member has any specific information, he can send it and we can act on it, so far as income tax is concerned.

The CBI does not come within the purview of the Finance Ministry. First there must be a request from the State Government concerned for specifically identifying the criminality which is involved to institute a CBI investigation.

So far the question was related to whether they have been given any tax exemptions from different taxes by the Central Government, my answer is, Central Government has not given any tax exemption in respect of this particular concern and whatever taxes are due from them, we have collected them.

SHRI D. RAJA: Sir, again the answer is related to service tax, I agree. But illegal activities of this Mining Corporation is in public domain. I would like the Government to take *suo motu* notice of this and try to address the concerns of the people. Having said that, Sir, my second question is, I have some copies related to code of conduct for Ministers. Some of the Ministers in some State Governments are related to this Mining Corporation, and when the accusations are made, they flew down to the capital of other States, justify their activities and challenge the very questions raised with regard to their illegal activities. I would like to ask the senior Minister, our very respected Finance Minister, whether they can continue as Ministers when they are related to these Mining Corporations, or, they are having shares in these Mining Corporations. Being in position as Ministers, they try to influence the political development and repeatedly show or demonstrate the dirty role of money power which ..*(Interruptions)*.. clearly jeopardises our democratic process.

MR. CHAIRMAN: Please speak on the subject.

SHRI D. RAJA: This question is not related to service tax; it relates to Obulapuram Mining Corporation. Being the senior Minister, we would like him to respond in the interest of democratic polity in our country.

SHRI PRANAB MUKHERJEE: Sir, if somebody violates any norm or any code, there are remedial measures. There is a regularly, duly-constituted Government in the State. If any Minister in the State Government violates code of conduct, it can be brought to the notice of the Governor. He can exercise his Constitutional power, whatever has been vested in him. Therefore, if something merely appears in the media or if somebody has some perception..*(Interruptions)*..

MR. CHAIRMAN: Silence, please.

SHRI PRANAB MUKHERJEE: On the basis of that, I cannot make any commitment on the floor of the House. I can go on the basis of facts. And the fact here is that when we sent a team of officers to a State to assess the situation there, immediately attacks were made against the Central Government that we were interfering in the normal domain of the State Government. Therefore, these issues, where we can interfere and where we cannot interfere, also have to be kept in view. Simply because some hon. Members say that they want Centre's intervention in the matter, it is not possible. Therefore, if there is any violation in the mining sector, or if it is illegal mining, the Department of Mines will look into it. There are regular institutional arrangements for it. Mines inspectors are there and their job is to look into illegal mining. If some Ministers have violated the code of conduct or have unduly exercised their influence in the decision-making of the State Government, the proper place to agitate is not Parliament but State Assembly and the Governor of the State. *(Interruptions)*

SHRI D. RAJA: Sir,..*(Interruptions)*..

MR. CHAIRMAN: Mr. Raja, your turn is over. *(Interruptions)*

SHRI B.K. HARIPRASAD: Sir, as the hon. Minister has rightly said, the Centre has not given any tax exemption to the mining industry. There are traditional miners in Karnataka and Andhra Pradesh. Now they have almost closed it and the mafia have taken over the mining industry in Karnataka and Andhra Pradesh. They are a threat to the democratic set-up as rightly stated by Mr. Raja and it is true.

MR. CHAIRMAN: Supplementary, please.

SHRI B.K. HARIPRASAD: Sir, I just want to know from the hon. Minister whether the Environment Minister has given any clearance for mining in Obulapuram. Second part of my question is, whether any tax exemption has been given by the State Government. And which Government has given the tax exemption?

SHRI PRANAB MUKHERJEE: Sir, so far as environment clearance is concerned, the information, which we have got from the authorities concerned, is that the environment clearance has been taken by the concerned authorities who are conducting environment clearance.

So far as the State Government is concerned, yes, I have the information that the Government of Andhra Pradesh has not given any concession in respect of Obulapuram Mining Corporation or their activities; but they are participating in building up a steel plant where some

concessions have been given by the State Government of Andhra Pradesh. This is for Brahmani Steel. Concessions which the State Government has given to it include 25 per cent of VAT for five years; reimbursement of power charges to the tune of 75 per cent at the rate of 75 paisa per unit for five years; 100 per cent waiver for registration and mortgage fee; and they have allocated Rs. one crore for the development of infrastructural facilities at the plant site.

SHRI M.V. MYSURA REDDY: Sir, the basic issue is tax evasion. This Obulapuram Mining Corporation is exporting iron ore to China by under-invoicing and whatever the differential amount is there, they are parking it in tax haven state. I request the Minister, through you, to investigate into this matter through the IT Department and the Vigilance Department. It is a clear violation of FEMA.

SHRI PRANAB MUKHERJEE: Sir, all violations of FEMA and over-invoicing or under-invoicing are offences under Customs Act and due action should be taken.

श्री आर0सी0 सिंह : सर, हमारे देश में ऑयरन ओर लिमिटेड है और हमारे यहां जो स्टील फैक्ट्रीज हैं, उनमें खपत 78 मिलियन टन की है, जबकि प्रोडक्शन 300 मिलियन टन का हो रहा है। तो रेस्ट ऑयरन ओर किन शर्तों पर कहां जा रहा है, इसके बारे में सरकार से जानकारी चाहता हूं्?

SHRI PRANAB MUKHERJEE: Sir, it is correct that we require it for our own steel production. It is also correct that it is one of the important export items. But, if the hon. Member wants to ban export of iron ore, that is a policy matter and Question Hour is not meant for discussion on policy matters.

श्री रुद्रनारायण पाणि : सर, उड़ीसा में भी इललीगल माइनिंग हो रही है.....(व्यवधान)

श्री सभापति : पाणि जी, बैठ जाइए।.....(व्यवधान) पाणि जी, बैठ जाइए। प्लीज, पाणि जी, बैठ जाइए।.....(व्यवधान). You are violating the Rules of the House. आप बैठ जाइए।.....(व्यवधान) आई एम सॉरी। *(Interruptions)*

श्री रुद्रनारायण पाणि : #

MR. CHAIRMAN: Nothing will go on record. I will have to invoke the Rule against the Member if you don't sit down. *(Interruptions)* Please sit down. *(Interruptions)* Please resume your place. *(Interruptions)* I would request the party whip. *(Interruptions)* Please bring me the Rule Book. I invoke Rule...*(Interruptions)*... Mr. Pany, will you please resume your place? This indiscipline is not permissible. Please resume your place. *(Interruptions)*

*271. [The questioner (Shri N. Balaganga) was absent. For answer *vide* page 45-46 *infra*.]

Misuse of funds under NREGS

*272. MS. SUSHILA TIRIYA: Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether it is a fact that sizeable funds under the National Rural Employment Guarantee Scheme (NREGS) are being misused;

#Not recorded.